

A UBS AG v UBS Corporation Sdn Bhd

HIGH COURT (KUALA LUMPUR) — ORIGINATING MOTION NO
D4-25-12 OF 2005

B ABDUL WAHAB PATAIL J
4 DECEMBER 2008

C *Trade Marks — Registration — Rectification — Application for — Whether applicant a person aggrieved by alteration of mark — Whether alteration of mark was outside ambit of s 44(1) of the Trade Marks Act 1976 — Whether applicant could apply for rectification of register*

D

E Enclosure 16 was the re-amended notice of originating motion of the applicant. The applicant, a company limited by shares, was a leading global financial services firm offering global wealth management, investment banking, asset management and business banking. The applicant was the common law and registered proprietor of the mark 'UBS' in various jurisdiction worldwide. The respondent, UBS Corporation Sdn Bhd, was the registered proprietor in Malaysia of trademark for 'UBS' in respect of computer software included in Class 9 under Trademark Registration No 93/09914 ('the mark'). The mark had a square logo with rectangular component with the letters UBS under the words 'User Business System'. The respondent and UBS Software Sdn Bhd (UBS Software) had common directors and common shareholders and its principal business activities included developing and marketing business application software. It was submitted that, the trademark 'UBS' was associated with the respondent formally since 16 December 1993 and as 'UBS User Business Software' since 1990. However, on 20 September 2001 the respondent applied to amend the mark to be represented simply by the letters 'UBS' which was allowed and gazetted on 22 November 2001. The deed of assignment to assign the trademark was completed and subsequently, the respondent changed its name to UBS Corporation Berhad. The respondent had continuously used the mark for its products before the applicant ventured in the Malaysian market and had accumulated goodwill and reputation as accounting software provider. The applicant submitted that, it was a person aggrieved by the alteration on the mark made in the register without sufficient cause. The applicant argued that the alteration of the mark was outside the ambit of s 44(1) of the Trade Marks Act 1976 ('the Act'). The applicant further argued inter alia, that the entry of the mark by the respondent in the register contravened, various provisions of the Act.

Held, allowing the application:

- (1) The power of the court to remove a registered trademark from the register based on s 45 of the Act is discretionary. Due to the fact that the applicant's business involve maintenance of high level of public confidence in its financial and business experience, discretion and judgment, such that the respondent would gain by the association, whether the respondent intended it or not, with the mark 'UBS' while the applicant would not be associated with the respondent. Further, if the applicant applied to register its mark 'UBS' it would be blocked due to the mark being registered by the respondent. Hence, the applicant was a person aggrieved within the meaning of s 45 of the Act (see para 14).
- (2) The deletion of the words 'User Business System' and the square with the rectangular components affected the identity of the mark substantially, and was an alteration that could not be allowed under s 44 of the Act. The respondent had at least some claim to the use of letters 'UBS' in the mark together with the words 'User Business System'. With the words, 'User Business System' in place the respondent would qualify under s 10 of the Act to use the letters 'UBS' in the mark (see para 16).
- (3) The applicant had representative office in Malaysia and the court took public notice of the fact advertisement of the applicant's services appeared in publications in circulation in Malaysia since 1980s. Although the applicant was not present in Malaysia in 1990 when the respondent used the 'UBS' mark, the effect of s 45 of the Act is that even if a person had obtained registration, an aggrieved party could apply at any time to rectify the Register (see para 21).
- (4) Although, there was no reason stating that the respondent could not obtain the registration as its trademark 'UBS' with the words 'User Business System' and the square logo with rectangular components, but the amendment of the mark on the register to just the letters 'UBS' was not authorised under s 44 of the Act (see para 23).

[Bahasa Malaysia summary]

Lampiran 16 merupakan notis usul pemula yang sudah dipinda oleh pemohon. Pemohon, sebuah syarikat yang dihadkan oleh saham, merupakan sebuah firma servis kewangan global yang utama yang menawarkan pengurusan harta global, pelaburan perbankan, pengurusan aset dan urusan perbankan. Pemohon adalah pemilik berdaftar common law terhadap tanda 'UBS' di pelbagai bidang kuasa di seluruh dunia. Responden, UBS Corporation Sdn Bhd, ialah pemilik berdaftar di Malaysia untuk tanda

- A dagangan 'UBS' berkait dengan perisian computer yang termasuk di dalam Kelas 9 di bawah Pendaftaran Tanda Dagangan No 93/09914 (Tanda tersebut). Tanda itu mempunyai logo berbentuk empat segi dengan komponen segi empat tepat tertera huruf UBS di bawah perkataan 'User Business System'. Responden dan UBS Software Sdn Bhd (UBS Software)
- B mempunyai pengarah bersama dan pemegang saham bersama dan aktiviti-aktiviti perniagaan yang utama termasuk mengembangkan dan memasarkan perniagaan penggunaan perisian. Adalah dikemukakan bahawa, tanda dagangan 'UBS' dikaitkan dengan responden secara formal sejak 16 Disember 1993 dan sebagai 'User Business Software' sejak tahun 1990.
- C Walau bagaimanapun, pada 20 September 2001, responden memohon untuk meminda tanda itu dan diperkenalkan hanya dengan huruf 'UBS' yang dibenarkan dan diwartakan pada 22 November 2001. Suratikatan penyerahhakan untuk menerima tanda dagangan telah lengkap dan kemudiannya responden menukar namanya kepada UBS Corporation
- D Berhad. Responden secara berterusan menggunakan tanda itu untuk produk-produk mereka sebelum pemohon menjalankan urusan di pasaran Malaysia dan mengumpul nama baik dan reputasi sebagai pembekal perisian perakaunan. Pemohon kemudiannya mengemukakan bahawa mereka adalah pihak terkilan oleh pemindahan di atas tanda yang dibuat di dalam daftar
- E tanpa sebab yang munasabah. Pemohon menghujahkan bahawa pindaan tanda itu adalah di luar lingkungan s 44(1) Akta Tanda Dagangan 1976 ('Akta'). Pemohon seterusnya menghujahkan bahawa kemasukan tanda oleh responden ke dalam daftar melanggar pelbagai peruntukan di dalam Akta.
- F

Diputuskan, membenarkan permohonan:

- (1) Kuasa mahkamah untuk mengalihkan tanda dagangan daripada daftar berdasarkan s 45 Akta adalah melalui budi bicara. Berdasarkan fakta bahawa perniagaan pemohon terlibat dalam mengekalkan kepercayaan awam di tahap tertinggi terhadap kewangan dan pengalaman perniagaan mereka, budi bicara dan pertimbangan yang mana responden mendapati melalui persatuan, sama ada responden berniat ataupun tidak, dengan tanda 'UBS' dalam masa yang sama pemohon tidak dapat dikaitkan dengan responden. Tambahan pula, sekiranya pemohon memohon untuk mendaftarkan tanda 'UBS', ia akan dihalang memandangkan tanda itu sudahpun didaftarkan oleh responden. Oleh itu, pemohon adalah pihak terkilan dalam maksud s 45 Akta (lihat perenggan 14).
- (2) Pemotongan perkataan 'User Business System' dan segi empat dengan komponen segi empat tepat menjejaskan identiti tanda itu sebahagian besarnya dan sebarang pemindaan tidak dibenarkan terangkum di bawah s 44 Akta tersebut. Responden menuntut penggunaan huruf

- 'UBS' dalam tanda bersama dengan penggunaan perkataan 'User Business System'. Dengan perkataan 'User Business System', responden layak di bawah s 10 Akta tersebut untuk menggunakan huruf-huruf 'UBS' di dalam tanda itu (lihat perenggan 16). **A**
- (3) Pemohon mempunyai pejabat perwakilan di Malaysia dan mahkamah mengambilkira fakta yang notis awam mengenai pekhidmatan pemohon telah diterbitkan dan diedarkan di Malaysia semenjak tahun 1980. Walaupun pemohon tiada di Malaysia pada tahun 1990 ketika responden menggunakan tanda 'UBS', kesan s 45 Akta tersebut ialah walaupun seseorang itu sudahpun mendaftar, pihak terkilan boleh memohon pada bila-bila masa untuk membetulkan daftar itu (lihat perenggan 21). **B**
- (4) Walaupun tidak terdapat sebarang sebab yang menyatakan bahawa responden tidak boleh mendaftarkan tanda dagangannya 'UBS' dengan perkataan 'User Business System' dan empat segi dengan komponen segi empat tepat, tetapi pemindaan tanda di dalam daftar kepada hanya huruf-huruf 'UBS' tidak dibenarkan di bawah s 44 Akta tersebut (lihat perenggan 23)] **C**
- D**

Notes

For cases on rectification, see 12 *Mallal's Digest* (4th Ed, 2005 Reissue) paras 2178–2179. **E**

Cases referred to

- Fazaruddin bin Ibrahim v Parkson Corp Sdn Bhd* [1997] 4 MLJ 360, HC (refd) **F**
- Industria De Diseno Textil, SA v Edition Concept Sdn Bhd* [2005] 3 MLJ 347 ; [2005] 2 CLJ 357, HC (refd)
- Karrimor International Ltd v Ho Choong Fun t/a Ah Hwa Trading Co* [1989] 3 MLJ 467, HC (refd) **G**
- Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7; [1996] 4 CLJ 784, CA (refd)

Legislation referred to

- Trade Marks Act 1976 ss 10, 10(1)(e), 14(1)(d), (1Ka), (1)(e), 14(2), 25(1), 44, 44(1), 45, 45(1), 82(2) **H**
- Michael Soo (KP Ng with him) (Shook Lin & Bok) for the applicant.*
Cindy Goh (HY Peh with her) (Cheang & Ariff) for the respondent.

Abdul Wahab Patail J:

- [1] The re-amended notice of originating motion of the applicant UBS AG 'the applicant' is at encl 16. **I**

- A [2] The applicant is one of the world's largest financial firms and is the common law proprietor of the mark 'UBS' worldwide. The applicant is also the registered proprietor of the mark 'UBS' in various jurisdictions worldwide.
- B [3] The respondent UBS Corporation Sdn Bhd 'the respondent' is the registered proprietor in Malaysia of Trade Mark No 93/09914 for 'UBS' in Class 9 in respect of 'Computer software included in Class 9' ('the mark').
- C [4] The respondent and UBS Software Sdn Bhd ('UBS Software') have common directors and common shareholders and its principal business activities include developing and marketing off-the-shelf business application software for the small and medium-sized enterprises market.
- D [5] Although UBS Software became the registered proprietor of the mark in respect of computer softwares included in Class 9 in Malaysia under Trademark Registration No 93/09914 only on 16 December 1993, UBS Software had been using the mark since 1990.
- E [6] The representation of the mark when it was applied for and when it first became registered had a square logo with rectangular components, the letters UBS under which were the words 'User Business System'. It was registered on 16 December 1993. On 2 September 2001, the respondent applied to amend the mark which resulted in the current representation of the mark which is simply the letters 'UBS'.
- F
- G [7] In 1998, UBS Corporation Sdn Bhd assumed the business of UBS Software as part of a scheme to apply for MSC status. In 2001, UBS Corporation Sdn Bhd decided to list the company under the MESDAQ market. In line with the listing exercise, a decision was also taken to amend the trademark as part of the branding exercise to be used to reflect what the respondent and/or its predecessor has been associated with by the public. The application for amendment was allowed and gazetted on 22 November 2001 and the deed of assignment to assign the trademark was done in 5 April 2002.
- H On 1 July 2002, UBS Corporation Sdn Bhd changed its name to UBS Corporation Berhad ('the respondent').
- I [8] There is no reason to doubt the respondent and/or its predecessor and/or its group of companies have been continuously using the trademark 'UBS' for its products since 1991 before the applicant ventured into the Malaysian market. It had also accumulated enormous goodwill and reputation in Malaysia as a reputable accounting software provider. On 17 February 2003, *The Edge Malaysia* reported of the respondent that:

... nearly 200 colleges and universities offer UBS accounting courses, and more than 30,000 students learn how to use his software every year. His product, used by about 120,000 companies, is a de facto industry standard for small businesses.

A

[9] To summarise, the use of the trademark 'UBS' is associated with the respondent formally from 16 December 1993 and as UBS User Business Software since 1990. It marketed a range of software systems such as accounting software system, inventory and billing software system (stock control), payroll and human resource management software system, point of sale (POS) software system, lawyer client's account software system, time attendance software system, building and services management software system under the UBS User Business Software and later UBS trademark. These software vigorously marketed, promoted and are widely used in Malaysia.

B

C

[10] On the other hand, the mark 'UBS' is associated worldwide with the applicant UBS AG. A court of justice would be failing in its responsibility if it refuses to recognise what is readily accessible information. That UBS AG, short form for UBS Aktiengesellschaft, the latter a word composed of two nouns 'shares' and 'company', and meaning a company limited by shares, is a leading global financial services firm offering global wealth management, investment banking, asset management and business banking, and that the mark based on its name UBS is ubiquitous in corporate, finance and banking business, is a matter of public notice that to require formal proof of it borders on the perverse.

D

E

F

[11] The applicant claims it is a person aggrieved by the alteration of the mark made in the register without sufficient cause, the mark wrongfully remaining on the register and/or the error in allowing the alteration to the mark as:

G

- (a) the alteration of the mark is outside the ambit of s 44(1) of the Trade Marks Act 1976 ('the Act').
- (b) the entry of the mark on the register contravenes the following provisions of the Act and Article 6*bis* of the Paris Convention and Article 16 of the TRIPS Agreement due to the applicant's prior rights in the trademark 'UBS':
 - (i) Section 10(1)(e) of the Act in that the mark is not distinctive of and/or not capable of distinguishing the goods or services of the respondent;
 - (ii) Section 25(1) of the Act in that the respondent is not the rightful proprietor of the mark;
 - (iii) Section 14(1 Ka) of the Act in that registration and/or use of the mark by the respondent or any third party with its consent would likely to

H

I

- A** deceive or cause confusion to the public or would be contrary to law, or the mark is not entitled to protection by any court of law;
- (iv) Section 14(1)(d) and (e) read with s 14(2) of the Act and Article 6*bis* of the Paris Convention and Article 16 of the TRIPS Agreement in that the mark is identical with or so nearly resembles the applicant's 'UBS' mark which is well-known in Malaysia; and
- B**
- (v) Section 82(2) of the Act in that use of the mark by the respondent or any third party with its consent would constitute passing off.
- C** [12] The power of the court to remove a registered trademark from the register based on s 45 of the Act is discretionary, even if the applicant for rectification has proved the grounds for such rectification. See *Industria De Diseno Textil, SA v Edition Concept Sdn Bhd* [2005] 3 MLJ 347; [2005] 2 CLJ 357 (HC). *Fazaruddin bin Ibrahim v Parkson Corp Sdn Bhd* [1997] 4 MLJ 360 (HC), *Karrimor International Ltd v Ho Choong Fun t/a Ah Hwa Trading Co* [1989] 3 MLJ 467 (HC). Section 45 provides:
- D**
45. Rectification of the Register.
- E** (1) Subject to the provisions of this Act —
- (a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register,
- F** or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit;
- (b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register;
- G**
- (c) in case of fraud in the registration, assignment or transmission of a registered trade mark or if in his opinion it is in the public interest to do so, the Registrar may himself apply to the Court under this section;
- H**
- (d) an order of the Court rectifying the Register shall direct that notice of the rectification be served on the Registrar in the prescribed manner and the Registrar shall upon receipt of the notice rectify the register accordingly.
- I**
- (2) [Deleted by Act A1078].

[13] The first question is whether UBS AG is a person aggrieved. Paragraph 25.35 of the WIPO Manual of Trade Mark Law and Practice in Malaysia explained the requirement for an applicant under s 45(1) to be 'aggrieved' thus:

The phrase 'person aggrieved' should be construed liberally. It includes any person whose own application for registration is blocked by the one in suite, any person who is alleged to have infringed the registration, and anyone whose legitimate business may be adversely affected by a wrongful registration.

[14] That the use of the mark 'UBS' would cause the public to associate it with UBS the bank and wealth manager. On reflection, a mark 'BUS', notwithstanding the use of the same three letters of the alphabet, would doubtless involve much more expense in advertising and promotion for public recognition than the use of the mark 'UBS'. Be that as it may, the business in which UBS AG is involved involves maintenance of high levels of public confidence in its financial and business experience, discretion and judgment, such that the respondent would gain by the association, whether the respondent intended it or not, with the mark 'UBS' while UBS AG would not by the association with the respondent. An application if made by UBS AG to register its mark 'UBS' is obviously blocked by the mark 'UBS' registered by the respondent. Clearly, UBS AG is a person aggrieved within the meaning of s 45, and equally clearly, not making any order but to leave things as they are is not an option as both parties are affected.

[15] The second issue is whether the registrar had power under s 44 of the Act to allow the amendment of the respondent's original trademark to the current 'UBS'. Section 44 provides:

44 Alterations of registered trade mark

- (1) The registered proprietor of a trade mark may apply in the prescribed manner to the Registrar for leave to add to or alter the trade mark in any manner not substantially affecting the identity thereof and the Registrar may refuse leave or may grant it on such terms and subject to such limitations as he may think fit.
- (2) The Registrar may cause an application under this section to be advertised in the prescribed manner in any case where it appears to him that it is expedient to do so, and if within the prescribed time from the date of the advertisement any person gives notice to the Registrar in the prescribed manner of opposition to the application, the Registrar shall, after hearing the parties if so required, decide the matter.
- (3) A decision of the Registrar under this section is subject to appeal to the Court.

A (4) Where leave under subsection (1) is granted the trade mark, as altered, shall be advertised in the prescribed manner unless it has already been advertised in the form to which it has been altered in an advertisement under subsection (2).

B [16] The power to amend is limited to adding to or altering 'the trademark in any manner not substantially affecting the identity thereof...'. The deletion of the square might not affect the identity substantially although it is arguable the more prominent part of the trademark. But plainly the deletion of the words 'User Business System' removed the qualification to the letters 'UBS' in the trade mark so that there is nothing to show it is not the common law 'UBS' mark of UBS AG. It is the finding of this court that the deletion of the words 'User Business System' and the square with rectangular components affected the identity of the mark substantially, and was an alteration that could not be allowed under s 44 of the Act. With the words 'User Business System' in place the respondent has at least some claim to the use of letters 'UBS' in its mark. With the words 'User Business System' in place it would qualify under s 10 of the Act to use the letters 'UBS' in the trademark.

E [17] The respondent also relied upon s 10(1)(e) of the Act. It provides:

10 Registrable trade marks

(1) In order for a trade mark (other than a certification trade mark) to be registrable, it shall contain or consist of at least one of the following particulars:

F (e) any other distinctive mark.

G [18] I do not think any issue arises that the mark has nothing to do with the respondent, but it must be borne in mind that its relationship to the respondent stems from its name 'User Business System'. I observe that in the applicant's case the mark 'UBS' is its name, and that this is seen advertised in various publications available in Malaysia.

H [19] There is no reason not to accept that the respondent began use of the mark 'UBS' since 1990, and that it is short for 'User Business System', a term that describes the type of goods offered by the respondent. But the argument then supports the continued use of the mark 'UBS' in association with 'User Business System' as in the original mark that was registered rather than used independently.

I [20] In *Lim Yew Sing v Hummel International Sports & Leisure A/S* [1996] 3 MLJ 7; [1996] 4 CLJ 784 (CA) Mahadev Shankar JCA held:

Trade mark law is very territorial in many aspects. So it will be useful to keep in the forefront of our minds that however distasteful it may be for a trader in one country to appropriate the mark of a foreign trader who is using that mark in a foreign country, there is nothing unlawful under the Trade Marks Act for a Malaysian trader to become the registered proprietor of a foreign mark used for similar foreign goods *provided* that the foreign mark has *not* been used *at all* in Malaysia.

We must therefore start on the premise that in Malaysia Gurdip Kaur is the author or originator of the trademark.

She claims that since 1981 she commenced to use the trademark for clothing and sportswear and has widely distributed goods bearing the trademark.

[21] This decision is careful not to base itself on the premise that no person can register for his use a foreign mark. In coming to its decision, this court takes into consideration that UBS AG has a representative office in Malaysia and the court can take public notice of the fact advertisements of UBS AG services have appeared in publications in circulation in Malaysia since the 1980s. Even if the applicant was not present in Malaysia in 1990 when the respondent started to use the 'UBS' mark, the effect of s 45 of the Act is that even if a person has obtained registration, an aggrieved party can apply at any time to rectify the register.

[22] Submissions were made on s 14 of the Act. Section 14 deals with prohibition on registration. This court does not think that s 14 is of application in relation to an application by an aggrieved party to rectify the register under s 45. Section 14(1)(d) and s14(1)(e) of the Act, in particular, can be of no assistance as these sections were amended in the year 2000, well after the date of the original registration, but is relevant to the amendment of the mark.

[23] For the foregoing reasons, while there is no reason why the respondent cannot obtain the registration as its trademark 'UBS' with the words 'User Business System' and the square logo with rectangular components, the amendment of the mark on the register to 'UBS' simpliciter, is not authorised under s 44. In the event, this court orders that the register be rectified by the removal of the amendment under s 44. As to removal of the mark in its original form, this court accepts the submissions of the respondent, but only so far as the right to the mark in the original form.

[24] And the court so ordered. The applicant's application allowed.
Application allowed.

Reported by Mashrifah Ravendran